

CHAPTER 1 – INTRODUCTION

PURPOSE OF MANUAL

The Nebraska Department of Economic Development (Department or DED) provides this Manual as a valuable resource for local government officials and CDBG Certified Administrators who are implementing Community Development Block Grant (CDBG) funded projects and for those contemplating applying for CDBG funds.

The online version of the Manual contains the latest information provided by the Department to assist CDBG grantees in complying with state and federal requirements. Current website information can be found at <https://opportunity.nebraska.gov/CDBG> and includes current forms and information.

MANUAL UPDATES

Users of this Manual are encouraged to check for updates on the DED website at <https://opportunity.nebraska.gov/CDBG>. The website information will note which sections and forms have been updated. Manual users are encouraged to incorporate any revised information into their hard copy manuals.

This manual is intended as a guide, not as a substitute for a thorough knowledge of state and federal laws and regulations referenced in this manual. In the event of any discrepancy, applicable federal or state regulations will prevail. The Subrecipient is responsible for compliance with the most stringent of any applicable local, state or federal law or regulation. If additional guidance is received, DED will notify all subrecipients of any new requirements by Policy Memo or an email communication.

THE CDBG PROGRAM

The CDBG Program is authorized under Title I of the Housing and Community Development Act of 1974 (HCDA), as amended, codified at 42 U.S.C. §5301 et seq.

The primary national CDBG objective is to develop viable urban communities by providing safe and sanitary housing, suitable living environments, and expanding economic opportunities, principally for low- and moderate-income persons (LMI).

The United States Department of Housing and Urban Development (HUD) administers the CDBG Program. The regulations created by the Office of the Assistant Secretary of Community Planning and Development that pertain to Community Development Block Grants are contained within 24 CFR Part 570. This is the primary source for guidance on the CDBG program.

Beginning with amendments to the HCDA in 1981, Congress provided states with the authority to administer CDBG funds for non-entitlement areas. Non-entitlement areas include those units of general local government that do not receive CDBG funds directly from HUD as part of the entitlement program. There are currently four CDBG Entitlement communities in Nebraska (Bellevue, Grand Island, Lincoln, and Omaha).

States participating in the CDBG Program award grants only to local units of government¹ in order to carry out development activities. Annually each State develops funding priorities and criteria for selecting projects. HUD's role under the State CDBG Program is to ensure state compliance with federal laws, regulations, and policies.

States participating in the CDBG Program have three major responsibilities that include:

- Formulate community development objectives;
- Decide how to distribute funds among communities in non-entitlement areas; and
- Ensure that subrecipients (local units of government) comply with applicable state and federal laws and requirements.

Local units of governments have the responsibility to consider local needs, prepare grant applications for submission to the State, and carry out the funded community development activities. Subrecipients must comply with federal and state requirements.

HUD distributes funds to each State based on a statutory formula that considers population, poverty, incidence of overcrowded housing, and age of housing. States distribute funds directly to local units of government (municipalities and counties), citizens and other organizations are ineligible for direct assistance.

All activities funded with CDBG resources must meet one of the following CDBG National Objectives for the program that include:

- Benefit low- and moderate-income persons.
- Prevent or eliminate slums or blight.
- Fulfill community development needs that have a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community.

CDBG IN NEBRASKA

The State of Nebraska elected to administer the CDBG program in non-entitlement areas beginning in 1983. The Nebraska Department of Economic Development (Department/DED) administers the CDBG program for the state.

The Department utilizes various means to identify development objectives, the distribution of CDBG resources, and to provide administrative guidance. Primary sources for this information include:

- The current State of Nebraska Consolidated Plan – prepared in accordance with 24 CFR Part 91, which describes needs, resources, priorities and proposed activities to be undertaken with respect to HUD programs, including CDBG.
- Annual Action Plan
- CDBG Administration Manual
- CDBG Application Guidelines
- CDBG Application Guidelines Workshops
- Department Staff

¹ On March 27, 2020, the Coronavirus Aid, Relief, Economic Security Act (CARES Act) made available CDBG Coronavirus Response (CDBG-CV) funds. These funds are used to prevent, prepare for, and respond to coronavirus. The CARES Act authorized the use of a waiver for the State to provide services directly as identified within the Federal Register Docket No. FR-6218-N-01 (<https://www.federalregister.gov/d/2020-18242/p-102>). Refer to the 2019 Annual Action Plan Substantial Amendment to learn more on the allocation of CDBG-CV funds.

REFERENCES

- **2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards**
http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- **Housing and Community Development Act (HCDA) of 1974**
<https://www.hudexchange.info/resource/2184/housing-and-community-development-hcd-act-of-1974/>
- **CDBG Laws and Regulations**
<https://www.hudexchange.info/programs/cdbg/cdbg-laws-and-regulations/>
- **Basically CDBG for States**
<https://www.hudexchange.info/resource/269/basically-cdbg-for-states/>
- **Guide to National Objectives and Eligible Activities for State CDBG Programs**
<https://www.hudexchange.info/resource/2179/guide-national-objectives-eligible-activities-state-cdbg-programs/>
- **Low/Moderate Income Summary Data by State (LMISD)**
<https://www.hudexchange.info/programs/acs-low-mod-summary-data/acs-low-mod-summary-data-local-government/>
- **Title VI, Civil Rights Act of 1964**
Full Text: http://www.usdoj.gov/crt/grants_statutes/titlevi.txt
Overview: <https://www.hud.gov/programdescription/title6>
- **Section 109 of the Housing and Community Development Act of 1974**
Full Text: <https://www.hudexchange.info/resources/documents/Housing-and-Community-Development-Act-1974.pdf>
Overview: <https://www.hud.gov/programdescription/sec109>
- **Section 3 of the Housing and Urban Development Act of 1968**
Guide: <https://www.hud.gov/section3>
Regulations; 24 CFR 135: <https://www.hudexchange.info/resource/2330/24-cfr-part-135-section-3-regulations/>
- **Age Discrimination Act of 1975**
Full Text: http://www.dol.gov/oasam/regs/statutes/age_act.htm
Overview: <http://www.dol.gov/dol/topic/discrimination/agedisc.htm>
- **Section 504 of the Rehab Act of 1973**
Overview: <https://www.hud.gov/programdescription/sec504>
Guide: https://www.hud.gov/program_offices/fair_housing_equal_opp/disabilities/sect504
- **Executive Order 11246 – Equal Employment Opportunity**
Overview: https://www.dol.gov/ofccp/regs/compliance/ca_11246.htm

- **Fair Housing and Equal Opportunity**

Overview: <https://www.hud.gov/programdescription/fheo>

Laws and Executive Orders:

https://www.hud.gov/program_offices/fair_housing_equal_opp/fair_housing_and_related_law